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C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 006215

SIPDIS

E.O. 12958: DECL: 07/27/2015 TAGS: <u>PREL PREF ECON IN NP BT CH</u>

SUBJECT: MEA PLAYS DOWN BHUTANESE KING'S VISIT

REF: A. NEW DELHI 5912

\*\*B. KATHMANDU 1638

Classified By: Polcouns Geoff Pyatt for Reasons 1.4 (B, D)

11. (C) Summary: King Wangchuck's August 1-4 visit to New Delhi was part of a routine exchange and did not focus narrowly on an imminent Bhutan-China boundary agreement, according to MEA Joint Secretary (Nepal/Bhutan) Ranjit Rae. Rae said that the border issue was discussed, along with other routine matters, such as tariffs, the hydro sector and general business. He implied that the press leaks about the China border were deliberate -- perhaps part of a GOI effort to remind Beijing of its special relationship with Thimphu. He indicated that MEA did not discuss the Nepal/Bhutan refugee issue with the King, but believed the topic came up in meetings with the Home Ministry. Rae suggested the Nepalese and Bhutanese Ambassadors in Delhi would be good interlocutors to revive the stalled talks. The August 3 standoff between Bhutanese Refugees and Indian police at the border was politically motivated and timed to coincide with the King's visit, Rae stated. End Summary.

King's Visit Not at the Behest of the GOI

12. (C) The King's visit was not at the "command" of the GOI, as implied in a July 28 article in the Indian Express, but was a regularly scheduled trip, Rae indicated in an August 8 meeting. Discussion of borders is normal for a working visit by the King to New Delhi. The Bhutanese on-line newspaper, Kuensel, reported that the King met with Prime Minister Singh, Sonia Gandhi and President Kalam during his four day visit. According to Kuensel, the King discussed hydropower development, support for the G-4 resolution for India's permanent membership to the UNSC and the draft Bhutanese constitution (Reftel).

Refugees

(C) Rae mentioned that the refugee issue between Bhutan and Nepal did not come up in meetings between the King and the MEA, but indicated that the issue was broached during discussions with the Home Ministry. He signaled that the GOI position has not changed and it continues to pressure Bhutan and Nepal to find a solution to the problem. Nepalese
Foreign Secretary Acharya suggested to Rae during a recent
visit to Kathmandu the GON's firm stance on complete verification prior to refugee repatriation may be softening. Acharya indicated that Nepal might allow Category 1 refugees to return prior to the completion of the verification of the other camps, if Bhutan states its commitment to repatriate the rest. Rae commented to the GON that the Nepalese Ambassador to Delhi has been an effective interlocutor and suggested that he and the Bhutanese Ambassador should restart Noting that Kathmandu has more serious issues this dialogue. to deal with, Rae warned that the Government of Nepal is not enthusiastic about engaging on the refugee issue and will want to know details regarding what the Royal Government of Bhutan (RGOB) intends to discuss.

Border Standoff: A PR Stunt

14. (C) Regarding the August 3 incident on the Nepal-India border in which a group of 323 refugees from the Beldangi Refugee Camps attempted to return to Bhutan via India (Reftel), Rae stated it was solely a publicity stunt scheduled to coincide with the King's visit to Delhi. He noted that if the refugees truly wanted to reach the Bhutan border, they could simply leave in smaller numbers without the fanfare, since the border is open and guards would not normally restrict the passage of Bhutanese or Nepalese citizens. Staging a sit-in on the middle of the Mechi bridge only ensured the Indian border guards would not allow them to pass, Rae indicated.

Comment: Border Dispute will be a "Package Deal"

15. (C) The July announcement by RGOB's Secretary for International Boundaries Pema Wangchuck that Bhutan and China had "agreed to change the claim line" prodded the GOI into action. It was no coincidence that an article in the Indian Express reporting New Delhi's apprehension over the border

deal appeared just days prior to the King's visit. The GOI leak to the Indian Express ensured China would get the message that no deal on the Bhutan-China border should be made prior to an agreement on the Sino-Indian border dispute. BLAKE